

Japanese Imperialism: *Damning Secret Memo.*

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JAPANESE IMPERIALISM IN ALL ITS INSOLENT NAKEDNESS

We print in this issue the secret memorandum handed to the Japanese Emperor on July 25th, 1927, by the Japanese Prime Minister, Tanaka. "All the workers of the world should know this document . . . a most secret, intimate document in which the Imperialists throw off the mask . . . giving us the key to all going on now in Manchuria." "A bare-faced description of the bloody violence, robbery, oppression, lies, deceit and cunning used by Imperialism."

MISTAKES IN OUR THEORETICAL WORK and the WAY TO OVER- COME THEM (Part II.)

E. Thälmann, in the conclusion of his article, deals with incorrect views of Fascism (giving concrete examples) and, finally, makes a brilliant refutation of individual terrorism to which some German C.P. sympathisers tend, and utilising Lenin's arguments against the socialist revolutionaries in 1902, shows the grave danger of being provoked by "Nazi" terrorism into leaving the important mass work to retaliate by revolver play.

NOTE TO OUR READERS

Our periodical is a really international journal, appearing simultaneously in five languages ; its contributors are distributed throughout the entire globe. But this fact involves the technical disadvantage that between the issue by the International Editorial Board and the publication of the English edition a long period elapses, and our readers, therefore, only receive the issue some weeks after the nominal printed date of publication.

To guarantee uniformity of time and agreement with the various editions we date and number the magazine according to the closing date of the International Editorial Board. It is often only possible, however, to print at a later date. Attentive readers will have noticed that issues contain articles which are only written after the nominal date of issue and deal with the very latest events.

We therefore ask our readers not to be misled by the nominal printed date of publication.

JAPANESE IMPERIALISM IN ALL ITS INSOLENT NAKEDNESS

(Concerning the Tanaka Memorandum)

WE print below the memorandum handed to the Japanese Emperor on July 25, 1927, by the Japanese Prime Minister, M. Tanaka. All the workers of the world who stand in defence of the Soviet Union should know this document. The workers and peasants of the colonies and semi-colonies should know of it. In particular the workers and peasants of China, Mongolia, Manchuria and Korea should be acquainted with it.

We are seldom given the opportunity of examining the most secret, intimate documents of imperialists heading the Government of a "Great Power"—documents in which the Government throws off its mask and with suave candour lays all the rapacious programme and methods of action of its Government before the head of the State.

The document is interesting because it gives us the key to an understanding of all that is going on at present on the Manchurian plains and gives *authoritative confirmation of how near is intervention against the Soviet Union*. It is interesting in that it shows up the *unbounded, militarist plans* of rapacious Japanese imperialism which is threatening us with a new world imperialist war. The document is interesting because it gives a shamefully bare-faced description of all the methods of bloody violence, robbery, oppression, lies, deceit and cunning used by imperialism to gain its own ends. It is interesting, again, because it shows how the imperialists are prepared now to rob even those whom they had, in the beginning, deceived into being the cat's paw for carrying out their offensive, those whom they look upon as the "vanguard" of this offensive (in the present case—the Koreans). Finally, the document is interesting in that it wholeheartedly declares that all this policy (which it describes itself as a policy of violence, robbery and deceit) has as its aim the "consolidation of our national defence in the interests of peace and order in the Far East" !! (page 738).

In what way does Japanese imperialism, in accordance with this memorandum, intend to act "in the interests of peace and order in the Far East"?

As regards the U.S.S.R., Japan's "peace policy" is the following :—

"If the Chinese-Eastern Railway belonging to Soviet Russia develops in this district, then our new continental policy will receive a blow which will inevitably bring about conflict with Soviet Russia in the near future. *In this case we shall again be obliged to play the rôle we played in the Russo-Japanese War.* The Chinese-Eastern Railway will become ours just as the Southern-Manchurian

railway became ours, and we shall seize Girin as we seized Darien. It seems that the inevitability of crossing swords with Russia on the fields of Mongolia in order to gain possession of the wealth of North Manchuria is part of our programme of national development" (page 739). "If we look into the future we must admit the *inevitability of war with Russia on the fields of North Manchuria*" (page 740). "Having constructed this line, we can convert Dalai into a base for the offensive against Siberia along three roads: through Tuunan, Anchan and Tsitsikar. The riches of North Manchuria will fall into our hands" (page 740). "Manchuria and Mongolia, Eastern countries which are still absolutely undeveloped. Sooner or later we shall have to fight here against Soviet Russia. The fight will take place in Girin" (page 741).

In these statements it is interesting to note that Japanese imperialism compares the coming war against the revolutionary Soviet Republics, which day by day grow stronger and stronger, with the last war against the Tsarist monarchy which was entirely rotten to the core. The Japanese imperialists have already tried the feebleness of the weapons of the Tsarist army, which shed its blood in Manchuria, on foreign territory for the sake of the rapacious aims of Tsarism; but they have not yet experienced the force of arms of the Red Army which, standing by the policy of the Soviet Government, will not fight for purposes of conquest but which, should Japanese hordes invade the territory of the Soviet Union, will stoutly defend the land, without yielding an inch of the ground. The fact that the Japanese do not understand the fundamental difference between the Tsarist Army and the Red Army will, of course, only increase their determination to make intervention.

As regards the United States of America, Japanese imperialism describes its "policy of peace" in the memorandum as follows :—

"*In the interests of self-defence and the defence of others (!)* Japan cannot remove the difficulties in Eastern Asia, without pursuing a policy of 'blood and iron.' But in pursuing this policy we shall be brought up face to face with the United States, who are directed towards us by the Chinese policy of fighting against poison with the help of poison. If we wish, in future, to gain control over China, we must crush the United States, i.e., behave towards the States as we did during the Russo-Japanese War. In order to conquer China, we must first conquer Manchuria and Mongolia" (page 735).

Here, again, Japanese imperialism, under the hypnosis of Japan's old victory over the Tsarist Army, compares the future war against the United States with the old Russo-Japanese war. And this illusion only increases the reality of the future war between Japan and the United States.

Therefore the strategic plan of Japanese imperialism amounts to this: First, seize Manchuria and Mongolia and make intervention against the Soviet Union. Then enter into war against the United States. But Japanese imperialism does not stop here. It dreams and forecasts no more and no less than the conquest of the whole world by Japan:

"With all the resources of China at our disposal, we shall pass forward to the conquest of India, the Archipelago, Asia Minor, Central Asia and even Europe" (page 735).

All this will be done, apparently, "in the interests of self-defence and the defence of others" and "in the interests of peace and order in the Far East."

While waiting to see how Japanese imperialism will in the future conquer the whole of Asia and "even Europe," we might for the time being note the fact as to how Japanese imperialism in 1927 intended to act in 1931 (and how it has begun to act already) in China, Manchuria, Mongolia and Korea. In this respect the memorandum is particularly interesting. If as regards future prospects the author of the memorandum can be called a day-dreaming, imperialist Don Quixote, when the question concerns near perspectives connected with the seizure of Manchuria and Mongolia and the war against the U.S.S.R., he gives a well thought out, concrete, military and strategical, economic and diplomatic plan of attack, which Japan has already begun to put into practice.

As regards China, Japanese imperialism shows the same complete absence of any understanding of, and even completely ignores, the forces of revolution, as was the case in the attitude towards the U.S.S.R. The memorandum was drawn up in 1927, i.e., when the wave of revolution had already swept the South of China. Nevertheless the memorandum refers to the awakening of China only as a *future* danger. But we are not at the moment interested in the blind conceit of the imperialist, but in the question as to how these imperialist "civilisers" behave towards the awakening peoples. The memorandum runs thus:—

"a more dangerous factor is the fact that the Chinese people may wake up one fine day. . . When we remember that the Chinese are our only purchasers, we must fear that day when China unites and her industry begins to flourish" (page 735). "We must from now onwards pursue our own military ends and seize the heart of Manchuria and Mongolia by divers ways, in order to be able on the one hand to *destroy the military, political and economic*

development of China" (see what "civilisers" they are.—Ed.) "and, on the other hand, to prevent the permeation of Russian influence. This is the key to our continental policy" (page 738).

It is well known that Japanese imperialism is carrying out its present military invasion of Manchuria under the flag of "defending the independence" of Manchuria and Mongolia . . . from China. And this is how M. Tanaka in his intimate, secret document intended exclusively for the Japanese Emperor, explained how Japanese imperialism intends defending their "independence."

"Manchuria and Mongolia are the 'Belgiums' of the Far East. During the Great War Belgium was made the battlefield. In *our wars with Russia and the United States, we must insist upon Manchuria and Mongolia bearing all the horrors of war*. As it is clear that we shall have to violate the neutrality of these territories, we must at all costs construct the Girin-Hoien and the Chan-Chun-Dalai railways . . ." (page 741).

The memorandum, however, is not limited to the statement that Japanese imperialism will be compelled to violate the neutrality of Mongolia and Manchuria and compel them to "experience all the horrors of war." It describes with shameless sincerity how Japanese imperialism having gained control of Mongolia, will rob her toiling masses:—

"When there will be enough of our people in Inner and Outer Mongolia, we shall buy up the land, paying for it one-tenth part of its true value, and begin to grow rice there in order to increase our stock of foodstuffs. . . . When we have a large section of the land in our hands, there will no longer be any question as to whether Mongolia belongs to the Japanese or to the Mouglions. Backed up by our military forces, we can realise our positive (!) policy. In order to achieve this plan, one million yens must be assigned from the 'secret fund of the war ministry' and 400 retired officers must be sent to Inner and Outer Mongolia. These officers, dressed as Chinese citizens and acting as teachers, must live among the population and gain the confidence of the Mongolian princes and so on" (page 737).

Japanese imperialism not only intended, and is intending, to rob the Mongolians by deceiving them. Japanese imperialism uses the same tactic of deceit and consequent robbery towards the Koreans, whom it wishes to use as its catsapw for military purposes in China:—

"As a result of the freedom which they (the Koreans) enjoy in Manchuria, thanks to the imperfect *police system* (apparently perfection is not compatible with freedom according to the imperialists.—Ed.), and also owing to the wealth of the land, no fewer than one million

Koreans are to be found in the three Eastern provinces. . . . They cannot be compared with the naturalised Japanese in California, and South America. They have merely become Chinese temporarily. When their number reaches two-and-a-half millions and more, *it will be possible to incite them, in case of necessity, to military action and we shall support them, assuring them that we are suppressing the Korean movement*" (page 737).

This is similar to what the English are doing in India, Persia and Afghanistan, etc., to what France is doing in her colonies, and the U.S.A. in Latin America! The memorandum further describes how Japanese imperialism, having used the Koreans for their own rapacious purposes, will then betray and rob them :—

"If the Koreans come to this district (Southern Manchuria), we must offer them financial support through our trust societies and other financial organisations. These organisations must have property rights, and the Koreans will be limited to the right to work upon the land. Formally, however, the Koreans must have property rights. . . . Thus we shall, unnoticed, gain the control of the best rice plantations which our immigrants, i.e., the Japanese, must receive. They will have to displace the Koreans who, in their turn, will seek new lands which, in the future, will also come into the hands of our people" (page 748).

It would be a good thing for the toiling Koreans, whom Japanese imperialism is using as a fertiliser for its coming harvest, to give consideration to these words.

In general, in reading the Tanaka memorandum, it becomes absolutely clear that systematic deceit is as much an essential composite part of the policy of imperialism, as systematic violence and robbery. As regards Mongolia, the memorandum writes as follows :—

"Thanks to their cheap high quality wool which they have in enormous quantities, Mongolia is a potential source of enormous wealth. . . . We are hiding this fact from the rest of the world so that England and America may not begin to compete with us" (page 739).

The document proposes that facilities be given to other Powers to invest capital in Manchuria and Mongolia, and comments on this point as follows :—

"We shall thus allay international suspicions and cleanse the road for broader plans, and force the Powers to recognise our own special position in this land."

In defence of the need for creating a special department for colonial affairs, in particular in connection with the "absorption of Korea," the memorandum states :—

"In view of this (in view of the lack of a special organ of control) constant differences of opinion are observed and it has been quite impossible to put through a secret policy. This has made it possible for international obstruction and Korean opposition."

But how did Japanese imperialism correct this mistake? In the usual way, by means of deceit :—

"Masses of propagandists arrived in Europe, America and Korea and declared that we recognise the independence of Korea and have no claim upon her territory. As a result we have been able to retrieve international confidence once more" (page 747).

In this piece of deceit, just as in the cause of expansion and annexation, the Japanese imperialist Tanaka offers unbounded prospects.

"In inviting other Powers to take part in the development of the South Manchurian Railway, we can deceive the whole world (!!). Having done this we can move forward into Manchuria and Mongolia etc." (page 745).

This gives one an idea of the imperialist "civilisers," when they bare and unmask themselves before their chief, behind the scenes.

The Tanaka memorandum is of enormous interest and should be given wide circulation among the proletarians and peasants of the whole world; not only because it is of actual significance now, being an undisputed confirmation of the fact that Japanese imperialism is making direct preparations for intervention against the U.S.S.R. and against the Chinese revolution, but because it throws a strong light upon the basis of imperialist policy as a whole. The Tanaka memorandum is a true text-book of imperialism. The rapacious ends served and the cunning means used, according to the Tanaka memorandum by Japanese imperialism, are common to the imperialism of all the "Great Powers." When we are given the opportunity of reading the secret memorandums of any Prime Minister to his King, or to the President of the Republic, we may be sure that they will be as alike as two peas to the Tanaka memorandum. The proletariat of every capitalist country should therefore learn the nature of *their own* national imperialism from the example of the Tanaka memorandum until such time as they, having achieved their own October, they will be able to read the memoranda of their own late Ministers in their own Soviet State archives. But this memorandum must be read by the proletariat of all countries not only for the purpose of studying the nature of imperialism. It should rouse them up to hasten on the moment when the whole system of violence, robbery and deceit which is called imperialism, shall be swept away.

MEMORANDUM OF THE POSITIVE POLICY IN
MANCHURIA, PRESENTED TO THE EMPEROR
OF JAPAN ON JULY 25, 1927, BY THE PRIME
MINISTER, M. TANAKA

Since the European war Japanese political and economic interests have been in an irregular state. This is due to the fact that we were not able to make use of our special privileges in Manchuria and Mongolia and entirely realise the rights we had gained. When I was appointed Prime Minister, I was particularly instructed to defend our interests in this sphere and to lose no opportunities for further expansion. Tasks of this sort cannot be considered lightly. Since I, in my capacity of a simple citizen, have been in favour of a positive policy in regard to Manchuria and Mongolia, I have been constantly endeavouring to put this policy into force. A special conference was called for the purpose of working out plans for the colonisation of the Far East and the development of our new continental Empire, which worked for eleven days—from June 27 to July 7. All civil and military officials connected with Manchuria and Mongolia were present at this conference. The outcome of the discussions in which they participated was the passing of a resolution which we humbly present to Your Imperial Majesty for examination.

PREAMBLE.

Manchuria and Mongolia include the Fintuan, Girin and Hei Lun-tsiang provinces and Inner and Outer Mongolia. The whole of this district covers 74,000 square miles with a population of 28 million. This territory is over three times as large as that of our own Empire without Korea and Formosa, although the population is three times smaller than ours. The country is an attraction not only because of the sparsity of the population: nowhere in the world can there be found such rich forests, such a wealth of mineral resources and agricultural products. The South Manchurian Railway Company was specially created for the purpose of exploiting these riches and increasing our national glory. According to plans which should be equally advantageous both for China and for Japan, we invested no less than 440 million yen in our railways, shipping, forestry, steel, agricultural and cattle-breeding undertakings. This, without doubt, is our biggest investment and strongest organisation. Although this undertaking is nominally in the collective possession of the Government and the people, actually it is entirely in the hands of the Government. In so far as the South Manchuria Railway Company is empowered with diplomatic, police and ordinary administrative functions for the purpose of putting through our imperial policy, it is a special organisation which has exactly the same rights as the Korean Governor-General. This fact alone speaks of the enormous interests which we have in

Manchuria and Mongolia. The policy being pursued towards this country has been pursued since the time of Emperor Mèdji, on the basis of his instructions, and is bringing about the development of a new continental Empire, which is essential for the further development of our national glory and the prosperity of innumerable future generations.

Unfortunately, since the European war there have been constant changes in home and foreign policy. The powers of the three Eastern provinces have also become alert and, following, our example, are making efforts at reconstruction and industrial development. We have to admit that there have been astounding successes which have most seriously hindered the growth of our influence. This has placed us in an unfavourable position and our negotiations with the constantly changing Governments of Manchuria and Mongolia have been unsuccessful. Moreover, the Nine Powers Agreement, signed at the Washington Conference, limited our special rights and privileges, to such an extent that we lost all freedom there. Our country's very existence is threatened.

If these obstacles are not removed, there will be no safeguard for our national existence, and our national power will not develop. Moreover, sources of wealth are concentrated in North Manchuria. If we are going to have no right to penetrate into Northern Manchuria, it is clear that we cannot lay hands upon the wealth of that country. Even the resources of South Manchuria, which we gained during the Russo-Japanese war, are severely limited by the agreement of the Nine Powers. As a result, while our people cannot freely settle in Manchuria, the Chinese are settling there in huge numbers. Hordes of Chinese arrive each year in the three Eastern provinces and they number millions. They so menace our rights in Manchuria and Mongolia, that our annual surplus population which is over 800,000 persons can find no refuge for themselves there. In view of this we have to confess our failure in the attempts made to establish equilibrium between the size of our population and our food supplies. If steps are not taken to stop the influx of Chinese immediately, their number at the end of five years will exceed six million and we shall then be faced with much bigger difficulties, in Manchuria and Mongolia.

It must be borne in mind that when the Nine Powers Agreement was signed, which limited our freedom of movement in Manchuria and Mongolia, public opinion was seriously disturbed. The late Emperor Taischo called a conference at which Yamagata and other high officials of the army and the fleet were present, to discuss ways and means of fighting against this new obligation. I was sent to Europe and America unofficially to obtain information concerning the attitude of important statesmen on this question. They all considered that the agreement between the Great Powers was concluded upon

the initiative of the United States of America. The other Powers who signed the agreement had nothing against the growth of our influence in Manchuria and Mongolia, provided we remain in a position to defend our interests in international trade and international investments. Declarations to this effect were made to me privately by political leaders in England, France and Italy. Unfortunately, just as we were about to put through our policy and, with the consent of those whom I had interviewed during my journey, to declare the Nine Powers Agreement invalid, the Seiyukan Cabinet suddenly came to an end, and our policy could not be put through. We regret this very strongly. Having exchanged opinions with the Powers about the development of Manchuria and Mongolia, I travelled back through Shanghai. In Shanghai a Chinaman made an attempt upon my life. An American woman was wounded, but I, thanks to the providential assistance extended to me by the spirits of my dead Emperors, was saved. It is obvious that sacred Providence wishes me to help Your Imperial Majesty to open up a new era in the Far East and to develop our continental Empire.

The three Eastern provinces in the political sense are an imperfect stain upon the Far East. In the interests of self-defence and the defence of others, Japan cannot remove the difficulties in Eastern Asia, without pursuing a policy of "blood and iron." But in pursuing this policy we shall be brought up face to face with the United States, who are directed towards us by the Chinese policy of fighting against poison with the help of poison. If we wish, in future, to gain control over China, we must crush the United States, i.e., behave towards the United States as we did during the Russo-Japanese war. In order to conquer China, we must first conquer Manchuria and Mongolia. In order to conquer the world, we must first conquer China. If we are able to conquer China, all the other Asiatic countries and the countries of the South Seas will fear us and capitulate before us. The world will then understand that Eastern Asia is ours, and will not dare to violate our rights. This is the plan entrusted to us by Emperor Medji, and its success is of substantial significance for our national existence.

The Nine Powers Agreement is exclusively the reflection of the spirit of trade rivalry. England and America wanted, by means of their great wealth, to smash our influence in China. The proposal for the limitation of armaments is merely a means of curtailing our military power and depriving us of the possibility of conquering the huge territory of China. On the other hand, the wealth of China will be in their hands, exclusively. This agreement is a plan by means of which England and America wish to smash our plans. The Minseito Government made a great affair of this Nine Powers Agreement, and emphasised

our trade rather than our rights in China. This policy is incorrect: it is a policy of national suicide. England can allow herself the luxury of talking about trade only because she has India and Australia, which supply her with foodstuffs and other goods. The same refers to America, for South America and Canada satisfy her requirements. Their energies can be wholly devoted to the development of trade in China for the purpose of enriching themselves. But the reserves of foodstuffs and raw materials in Japan are becoming less and less as her population increases. If we put all our hopes upon the development of trade, we may be smashed by England and America, with their invincible capitalist might. In the end we get nothing at all. A more dangerous factor is the fact that the Chinese people may wake up one fine day. Even now, in these days of internal confusion, they can peacefully toil and try to mimic us and displace our goods, thus hindering the development of our trade. When we remember that the Chinese are our only purchasers, we must fear the day when China unites and her industry begins to flourish. Americans and Europeans will compete with us, and our trade with China will be smashed. The proposal of Minseito to leave the Nine Powers Agreement in force and pursue a trading policy towards Manchuria is nothing but a policy of suicide.

Having studied the existing conditions and possibilities inside our country, we have to confess that our best policy amounts to taking positive measures for the purpose of safeguarding our rights and privileges in Manchuria and Mongolia. They will make it possible for us to develop our trade. This will not only hold back the industrial development of China itself, but will disallow the penetration of European Powers into China. This is the only sane policy, the best policy.

In order to win real rights in Manchuria and Mongolia, we must use this district as a base, and penetrate into the rest of China under the pretext of developing our trade. Armed with already safeguarded rights, we shall seize the resources of the entire land. With all the resources of China at our disposal, we shall pass forward to the conquest of India, the Archipelago, Asia Minor, Central Asia and even Europe. But the first step must be the seizure of control over Manchuria and Mongolia, if the Yamato race wishes to surpass itself in continental Asia. The final victory will fall to that country which has sufficient food stores. Industrial prosperity is possible only in countries which are secure from the point of view of foodstuffs and raw materials; the full development of national power is possible only in a State which extends over an enormous territory. If we pursue a positive policy, extending our rights in Manchuria and in China, all these conditions so essential to a mighty nation will cease to be problems. Moreover, our surplus population will be provided

for, amounting as it does to 700,000 annually. If we wish to begin a new policy and guarantee the permanent welfare of our Empire, we must pursue a positive policy toward Manchuria and Mongolia.

MANCHURIA AND MONGOLIA ARE NOT CHINESE TERRITORY.

From the historical point of view Manchuria and Mongolia are not Chinese territory or Chinese possessions. Dr. Yano has made a fundamental study of Chinese history and has come to the conclusion that Manchuria and Mongolia were never Chinese territory. This fact has been made public to the world by the authoritative representative of the Imperial University. The investigations of Dr. Yano are so meticulous that there can be found no professor in China who disputes them. Nevertheless it is a most unfortunate circumstance that in declaring war upon Russia our Government openly recognised the sovereignty of China over all other countries and repeated the same thing at the Washington Conference, when we signed the Nine Powers Agreement. As a result of these two mistakes of ours, the sovereignty of China in Manchuria and Mongolia is now established in diplomatic relations, and our interests consequently suffer. Although China talks about the Five Races Republic, nevertheless Tibet, Sintsiang, Mongolia and Manchuria were always in the past special districts, and the princes had their own customs rights. In actual fact, therefore, the princes held the sovereign rights. We must explain the true state of affairs to the world at the first opportunity. We should also have penetrated into Inner and Outer Mongolia in order to reform the country. While the princes carry on their former administrative functions there, sovereign rights are in their hands. If we wish to penetrate into these territories, we must look upon them as the rulers and negotiate with them concerning rights and privileges. We shall have a fine opportunity and our national influence will rapidly grow.

OUR POSITIVE POLICY IN MANCHURIA.

As for rights in Manchuria, we must take decisive steps on the basis of our twenty-one demands and attain the following in order to safeguard the rights we have won :—

- (1) When the agreement concerning trade leases expires in 1931, we must obtain the opportunity of extending the period as we wish. Further, our right to lease land for commercial, industrial and agricultural purposes must be recognised.
- (2) Japanese citizens must have the right to travel through, and live in, the Eastern part of Mongolia and engage in trade and industrial occupations there. China must free them from subjection to the Chinese law. They must

not be liable to illegal taxation and illegal interrogation.

- (3) We must have the right to exploit nineteen coal and iron works in Fintuan and Girin, and also the right to exploit the rich forests.
- (4) We must have the first rights in connection with the construction of railways and the placing of loans for this purpose in South Manchuria and East Mongolia.
- (5) The number of Japanese political, financial and military advisers must be increased. We must have the first right to give our own advisers.
- (6) We must have the right to organise police stations for the defence of Koreans in China.
- (7) The term of direction and development of the Girin-Chanchung railway must be extended to 99 years.
- (8) We must have the exclusive right to sell special goods, and the first right to support marine traffic from Europe and America.
- (9) We must be given the exclusive right to work up the mineral resources in Hei Lun-tsiang.
- (10) We must be given the right to build the Girin-Hoiren and Tsen-Tsin-Dalai railways.
- (11) Should money be required to buy up the Chinese-Eastern Railway, the Japanese Government should be given the first right to offer a loan to China.
- (12) We must be given special rights in the Andun and Inkow ports and the right of transit transportation across these harbours.
- (13) We must be co-partners of the Central Bank of the three Eastern provinces.
- (14) We must have the right of exploitation and of pasturage.

THE POSITIVE POLICY TOWARDS INNER AND OUTER MONGOLIA.

Since Manchuria and Mongolia are still in the hands of the native princes, we must in future recognise them as the rulers of these lands and offer them support. Guided by this consideration, the daughter of the Kwantun Governor-General, Fukushima, risked her life by living among the barbarian Mongolian population in Tuschiwu, where she fulfilled the rôle of adviser to the local prince and thus served the Imperial Government. Since the niece of the Manchurian prince, Su, became the wife of the governing prince, the relations between the Government and the Mongolian princes have become considerably closer. All the princes of Inner and Outer Mongolia hold us in great respect, especially since we encourage them with special gifts and protection. There are at present nineteen retired Japanese officers in Tuschiwu. We have already obtained the monopoly of the purchase of wool, and the exploitation of mining resources there. We shall send secretly a still larger number of retired officers.

They must be dressed as Chinamen, in order not to draw the attention of the Mukden Government. Scattered in various places, they may engage in agriculture, cattle-breeding and the trading of wool. We can behave towards other princes just as we behaved to the prince in Tuschetzu. We must have our retired officers everywhere, in order to gain the control of the princes. When there will be enough of our people in Inner and Outer Mongolia, we shall buy up the land, paying for it one-tenth of its true value, and begin to grow rice there in order to increase our stock of foodstuffs. Where the land is not suitable for the production of rice, we can engage in cattle-breeding and breed horses, which would be very important in the military sense. In other places we can engage in the canning industry and export our goods to Europe and America. We shall also gain much by developing the fur and leather industry. Finally, Inner and Outer Mongolia will fall entirely into our hands. Since the question of sovereign rights is not sufficiently clear here, and the Chinese and Soviet Governments are engaged on other affairs, we can peacefully extend our influence. When we have a large section of the land in our hands, there will be no longer any question as to whether Mongolia belongs to the Japanese or to the Mongolians. Backed up by our military forces, we can realise our positive policy. In order to achieve this plan, one million yen must be assigned from the "secret fund of the War Ministry" and 400 retired officers must be sent to Inner and Outer Mongolia. These officers dressed as Chinese citizens and acting as teachers, must live among the population and gain the confidence of the Mongolian princes, obtain from them the right to engage in cattle-breeding and mining, and thus lay the foundations of our national interests for the coming hundred years.

IN SUPPORT AND DEFENCE OF KOREAN IMMIGRATION.

Since we annexed Korea, we have had very little trouble there. However, the declaration of President Wilson concerning the self-determination of races, made after the European war, played the rôle of a sacred revelation to the oppressed nations. The Koreans were no exception and the spirit of dissatisfaction spread throughout the land. As a result of the freedom which they enjoy in Manchuria, thanks to the imperfect police system, and also owing to the wealth of the land, no less than one million Koreans are to be found in the three Eastern provinces. This development is extremely advantageous for us, and has considerably raised our influence from the economic and military point of view. On the other hand, this gives us fresh hopes in the sphere of administration for the Koreans. They will be our vanguard in the colonisation of untouched lands and will be the link which binds us with the Chinese people. On the one hand we would be able to make

use of the naturalised Koreans for the purpose of purchasing lands for growing rice, on the other hand, we could give them financial assistance through our co-operative societies, of the South Manchuria railways and so on, and thus we should be able to use them first of all for our economic penetration. This would mitigate our position in connection with foodstuffs and at the same time open up new possibilities of colonisation. Koreans who become Chinese subjects are only Chinese formally and they will probably return to us. They cannot be compared with the naturalised Japanese in California and South America. They have merely become Chinese temporarily. When their number reaches two-and-a-half million and more, it will be possible to incite them, in case of necessity, to military action, and we shall support them, assuring them that we are suppressing the Korean movement. Since not all the Koreans have become Chinese subjects, in other countries it will not be known who actually brought about the disorders—Chinese or Japanese Koreans. We shall always be able to mislead world public opinion.

Since it is possible for us to use the Koreans for this purpose, we must take measures to ensure that the Chinese do not use them against us. But Manchuria is as much under our jurisdiction as it is under Chinese. If the Chinese try to make use of the Koreans for war against us, we shall have an excuse for making war upon China. In that case Soviet Russia would be the most dangerous factor. If the Chinese use the "Reds" to influence the Koreans, then the outlook of our people will change and a great danger will threaten us. The present Cabinet, in view of this, is taking all precautionary measures against this possibility. If we want to use the Koreans for the purpose of developing our new continental Empire, we must work out our measures for their defence as carefully as possible. We must increase our police force in North Manchuria on the basis of the Mitsui Agreement, in order to be able to use this force in support of the Koreans and to help them to move forward rapidly. Totku Kaischa (the Society for the Development of the East) and the South Manchuria Railway Company must also give them financial assistance. The Koreans must be placed in specially advantageous conditions in order that they may develop the riches of Manchuria and Mongolia and monopolise all rights of trade. The influx of Koreans into these territories is of such enormous economic and military importance, that the Imperial Government cannot fail to support it. It opens up new prospects for our Empire. Since the Washington Conference swept away all the advantages of the agreement concluded between Lansing and Ischi, our position can be restored only by the presence in Manchuria of several millions of Koreans. As regards international relations there can be no difficulties in this respect.

THE RAILWAYS AND THE DEVELOPMENT OF OUR NEW
CONTINENT.

Transport is the basis of national defence, the guarantee of success and the starting point of economic development. The Chinese railways extend over 7,200-7,300 miles, 3,000 of which are in Manchuria and Mongolia. Taking into consideration the size of Manchuria and Mongolia and the abundance of their natural resources, we may say that more railroads are required there, extending over no less than 5,000 to 6,000 miles. It is a great pity that our railways are concentrated mainly in Southern Manchuria and do not extend to the sources of wealth which are to be found in the northern part of the land. There are many Chinese in South Manchuria who are favourably inclined towards our military and economic plans. If we wish to develop our natural wealth and strengthen our national defence, we must build railways in North Manchuria. We can then send more Japanese to North Manchuria. From there we shall be able to strengthen considerably our political and economic development in South Manchuria and strengthen our national defence in the interests of peace and order in the Far East. The South Manchurian Railway was built mainly for economic purposes. There are no circular railroads, which are so necessary for the mobilisation and transport of troops. From now onwards we must pursue our military aims and surround the heart of Manchuria and Mongolia with circular railways, in order, on the one hand, to smash the military, political and economic development of China and, on the other hand, to hold back the penetration of Russian influence. This is the key to our continental policy.

There are two main railways in Manchuria and Mongolia: the Chinese-Eastern and the South Manchurian. As for the railroads constructed by the Chinese, they will doubtless be of huge importance now because of the financial support of the Girin Provincial Government. Based upon the combined resources of the Fintuan Government and the Heilutsiang province, the Chinese railways will considerably overtake our South Manchurian Railway in development and begin violent competition. Fortunately for us the financial situation in the Fintuan Government is extremely disturbed, and without our help the Chinese powers cannot put matters to rights. We must make use of this. We must take positive steps and gain our ends in the matter of railway construction. If we are able to manipulate, the banknotes of the Fintuan Government will become entirely worthless and the province will become bankrupt. The Fintuan powers will then be unable, of course, to think of developing Manchuria and Mongolia. But we must remember the Chinese-Eastern Railway. It forms the letter "T"

with the South Manchurian Railway. This system does not answer our military purposes. If we look upon the South Manchurian Railway as the main branch, then the Chinese should build their railroads in the direction of North to South, which would answer their requirements. Thus our interests ought not therefore to come into conflict with the Chinese. Now that Russia has lost all her influence and is not in a position to penetrate into Manchuria and Mongolia, the Chinese must support us in our railroad construction. To our surprise, however, the Fintuan Government recently constructed two railways from Taguschin to Tunliao and from Girin to Hainin for exclusively military purposes. These two railways are extremely unfavourable for our military plans in Manchuria and Mongolia and to the interests of the Manchurian Railway. We most energetically protested, therefore, against this construction work.

If in the end these railways were constructed, this is because our representative, equally with the representatives of the South Manchurian Railway, under-estimated the possibilities of the Fintuan Government. When we intervened, it was already too late and the railway was finished. The Americans tried to invest capital in Port Hulutao and to develop it with the help of British capitalists. The Fintuan Government made use of this and invested American and British capital in these railways in order to deliver a blow at us. All we can do now is to await a suitable moment for opening up negotiations with China concerning these two railways.

Of late rumours have been spread to the effect that the Fintuan Government intends running a road from Taguschan to Harbin via Tunliao and Fu-Yu. This will be a direct line between Peking and Harbin, which will not touch either the South Manchurian or the Chinese-Eastern Railways. More astounding still is the fact that they intend running another line from Mukden to Harbin via Hailun, Girin, Uchan. If this plan is carried out, these two lines will surround the South Manchurian Railway and limit its sphere of activity to the minimum. This will smash our political and economic development of Manchuria and Mongolia, the aim of the Nine Powers Agreement will be reached, and our powers limited. The completion of these two railways will make the South Manchurian Railway entirely useless. The South Manchurian Railway Company will find itself face to face with a real crisis. However, in the existing financial conditions China cannot construct these two lines farther north than the South Manchurian line. This should put us somewhat at ease. But if these two lines are built and the Chinese Government fixes cheap rates in order to compete with the South Manchurian line, then not only we, but the Chinese-Eastern Railway as well will sustain a loss. Japan and Russia, of course, will not permit China to put

through these measures of obstruction, the more so since the Chinese-Eastern Railway is largely dependent upon freight despatched from Tsitsikar and Harbin.¹

The South Manchurian Railway does not answer our purposes. Taking into consideration our present requirements and our activities in the future, we must have control over the railways both in North and South Manchuria. The number of Chinese grows so rapidly in South Manchuria that our political and economic interests sustain losses. We are compelled in the circumstances to take aggressive measures in North Manchuria in order to safeguard our prosperity in the future. But if the Chinese-Eastern Railway, belonging to Soviet Russia, develops in this district, then our new continental policy will receive a blow which will inevitably bring about conflict with Soviet Russia in the near future. In this case we shall again be obliged to play the rôle we played in the Russo-Japanese war. The Chinese-Eastern Railway will become ours just as the South Manchurian Railway became ours, and we shall seize Girin as we seized Dairen. It seems that the inevitability of crossing swords with Russia on the fields of Mongolia in order to gain possession of the wealth of North Manchuria is part of our programme of national development. Until these hidden rocks are blown up, our vessel cannot move rapidly ahead. We must demand from China the right to build important military railways. When these railways are finished, we can fill North Manchuria to overflowing with our forces. Soviet Russia will have to interfere and this will be our pretext for open conflict.

We must insist on the construction of the following railways :—

(1) Tunliao-Sheches Railway. This will extend over 447 miles and the cost of construction will be 50 million yen. When it is completed it will be enormously useful in our struggle to develop Inner Mongolia. This, incidentally, is the most important railway line for us. Careful investigations by the War Ministry have shown that there are enormous stretches of land in Inner Mongolia suitable for the cultivation of rice. With this district properly developed, no fewer than 20 million of our Japanese population can live there. As many as two million head of cattle can be bred there, which we can use both for food and for export to Europe and America. Finally, there is the wool. The Mongolian sheep give three times as much wool as the Japanese. The South Manchurian Railway Company has made several experiments to prove this fact. The Mongolian wool is far better than Australian. Thanks to their cheap high-quality wool which they have in enormous quantities, Mongolia is a potential source of enormous wealth. If we support this industry by developing the railways, the output will increase ten

times at least. We are hiding this fact from the rest of the world so that England and America may not begin to compete with us. We must therefore as a first step get control of the transport and then begin to develop the woollen industry. If other countries get to hear of this in advance we may find it is too late. With the railways at our disposal, we can develop the woollen industry not only for our own requirements, but for export to Europe and America. We shall be able to achieve our plans for the possession of Mongolia. This railway is a vital question for our policy in Mongolia. Without it Japan cannot play any rôle in Mongolian development.

(2) The Solun-Taonan Railway. This line will extend over 136 miles and will cost 10 million yen. If we look into the future of Japan we have to admit the inevitability of war with Russia on the fields of North Manchuria. From the military point of view this railway will not only allow us to threaten Russia from the rear, but will deprive Russia of the possibility of bringing up reinforcements into North Mongolia. From the economic point of view this road makes it possible for us to exploit the rich resources of the Tao-Erho valley and strengthen the position of the South Manchurian line. The princes of the surrounding districts, who are friendly disposed towards us, will be able to use this line to increase our influence and open up their territories to us. Our chances of co-operating with the Mongolian princes, obtaining land, mines and pasture-lands, and opening up trade with the native population, which is essential to our further penetration into the land, all depend upon this railroad. This, together with the Tunliao-Sheches Railway, will mean two railroads leading into Mongolia. When industry is fully developed we shall be able to spread our influence throughout Outer Mongolia. This line is dangerous, however, in that it can facilitate the migration of the Chinese into this new district and thus harm our policy. Remember the South Manchurian Railway. Does it not serve the interests of China? An important point is that the land and the mineral deposits lying in the neighbourhood of the railway belong to Mongolian princes. If we obtain possession of these lands and mines there will be no need to fear Chinese immigration. We can even compel the princes to pass laws prohibiting Chinese immigration. If life becomes difficult for the Chinese, they will of course leave the place. There are other methods as well, by means of which it would be possible to prevent the Chinese from inhabiting these places. If we are sufficiently energetic, no sign of the Chinese will be left on Mongolian territory.

(3) The Chanchun-Taonan section. As this railroad goes from Chanchun to Fuyu and Dalai, the line between Chanchun and Taonan will extend over 131 miles and cost approximately 11 million yen. This line is of enormous economic importance, for the

1. Several paragraphs edited out at marker, for details see Thomas Rid, *Active Measures*, New York: Farrar, Straus and Giroux, 2020; the full English version was first published in *China Critic*, 24 Sept 1931.

wealth of Manchuria and Mongolia is concentrated in North Manchuria. We shall obtain access to North Manchuria and help the South Manchurian Railway, thus aiming a blow at East China. The railroad passes through the valley of the River Sungari, where the soil is extremely fertile and there is an abundance of agricultural products. Near to Dalai are the Yuelian waterfalls which can be used for electrical energy. It is clear that this section of the railway will become a flourishing centre of industry and agriculture. Having built this line we can convert Dalai into a base for our advance upon Siberia along three roads : via Taonan, Anchan and Tsitsikar. The wealth of North Manchuria will fall into our hands. This line will help us to advance to Heiluntsiang as well. Together with the road between Chanchun and Taonan, this will form a circular linewhich will be of strategical importance in our aim to penetrate into Mongolia. The population here is very sparse, but the land is rich. For a period of fifty years there will be no need to use fertilisers. Having possession of this road we can control all the riches of North Manchuria and Mongolia. Here another 30 million people at least can live. When the Dunchuask road is completed and joined up with the line running from Hoiren to Korea, all products can be transported direct to Osaka and Tokio. In case of war, we should be able to send our troops into North Manchuria and Mongolia through the Sea of Japan direct, which would give the Chinese troops no chance of penetrating into North Manchuria. Neither American nor Russian boats can pass through the Korean Straits. As soon as the roads between Girin and Hoinen and Chanchun and Dalai are completed, we shall be independent in the sphere of provisions and raw materials. In case of war no country can interfere with us. Therefore, when negotiations begin about Manchuria and Mongolia, China will have to submit and agree to our demands. If we want to put an end to the political existence of Manchuria and Mongolia, in accordance with the third phase of the plan of Emperor Medji, we must complete these two railways. Chanchun-Dalai Railway will considerably raise the value of the South Manchurian Railway and will itself be a paying concern. This is a most important beginning in our effort to penetrate into this territory.

(4) Girin-Hoiren line. Although the Girin-Dunchuask line is already complete, the Dunchuask-Hoiren line has yet to be constructed. The narrow 2ft. 6in. gauge which we have between Hoiren and Laod-Goigoi is of no use for the economic development of the new continent. Eight million yen must be spent to broaden the gauge in this part of the line and 10 million yen on the construction of the Laod-Goigoi Hunhua line. This will cost approximately 20 million yen. When this is done we shall achieve

success in our continental policy. Up to now, persons travelling to Europe have been compelled to travel either through Dairen or Vladivostock. Now they can travel direct from Tsen-Tsin over the Siberian Railway. When this enormous transport system is in our hands, we shall have no need to hide our intentions in Manchuria and Mongolia, which form the third phase of the Medji plans. The Yamato race will then go forward to conquer the world. According to the legacy of Medji, our first step was to conquer Formosa and the second to annex Korea. Now the third step must be taken which consists in the conquest of Manchuria, Mongolia and China. When this has been done, all the rest of Asia, including the islands of the South Seas will lie at our feet. The fact that these tasks have not yet been fulfilled is a crime on the part of your servants.

The people living in Girin, Fintuan and a part of Heiluntsiang are called in history the Suchans. The Suchans are scattered along the sea coast and the valleys of the Amur and Tiumen rivers. During various historical epochs they were referred to as Kulayams, Suchans, Guebeys, Pals, Vots, Fuyus, Kendans, Bokhays, Nushens. They are a mixed race. The forefathers of the Manchurian dynasty were born here. At first they possessed Girin and then established their power in China for 300 years. If we wish to pursue our continental policy, we must take this historical fact into consideration and first of all settle in this district. Hence the necessity for building the Girin-Hoiren Railway.

The decision as to whether this road should finish in Tsen-Tsin or Lochin, or even Sunitsi, will depend upon circumstances. From the point of view of national defence, Lochin is the ideal harbour and the ideal terminus. It is possible that this will be the best harbour in the world. On the one hand it will ruin Vladivostock and on the other hand it will be the centre of the riches of Manchuria and Mongolia. Dairen is not yet our territory and while Manchuria is still not part of our Empire, it will be difficult to develop this town. As a result we should be in a difficult position in case of war. The enemy could blockade the Tsusima and Senshina Straits and we should be cut off from Manchuria and Mongolia. Having lost our resources, we should be conquered, the more so since England and America have been working jointly to cut down our power in these districts. One day we shall have to fight against America to defend ourselves and to be a warning to China as well. The American Asiatic Fleet whose base is in the Philippine Islands, would be near to Tsusima and Senshina. If they were to send submarines to these places we should be completely cut off from our Manchurian and Mongolian sources of provisions and raw materials. But if the Girin-Hoiren Railway were completed, we should have a big circular line around the whole of Manchuria and

Korea and a small line in North Manchuria. We would have complete freedom of movement in all directions and could send our soldiers and the necessary supplies in all directions. If we were able to supply all necessary materials to our ports in Tsuruga and Nigata, with the help of this railway line, the submarines of the enemy would not be able to enter the Japanese and Korean Straits. In this case nobody could interfere with us and the Japanese Sea would be the centre of our national defence.

Having safeguarded the transport of provisions and raw materials, we would have nothing to fear from the American fleet or the Chinese or Russian armies. We could put down the Korean movement. I repeat, if we want to pursue our new continental policy, we must build this line. Manchuria and Mongolia are Eastern countries which are absolutely undeveloped. Sooner or later we shall have to fight against Soviet Russia. The fight will take place in Girin.

In order to take the third step of the Medji plan as regards China, we must act as follows :—

1. We must mobilise the army divisions in Fukuoka and Hiroshima and despatch them into South Manchuria through Korea. Thus we shall prevent the movement of Chinese soldiers to the North.

2. We shall send the army divisions at present in Nagoia and Huansi by sea to Tsin-Tsin, and from there to North Manchuria by the Girin-Hoiren line.

3. The Kwantun army will be despatched through Nigata and Chuchin or Login, and from there by the Girin-Hoiren road to North Manchuria.

4. The army divisions at present in Hokaido and Sendai must be despatched by sea from Aomori and Hokodato to Vladivostock, and from there by the Siberian railway to Harbin. They will stop at Fintuan, seize Mongolia and prevent the Russians from moving south.

5. All these divisions will form two large armies. In the south they will occupy Shanghaihuang and defend it from the northward march of the Chinese troops. In the North they will defend Tsitsikar from the movement of Russian troops into the south. Thus all the resources of Manchuria and Mongolia will fall into our hands. Even if the war continues for ten years, we shall have no fear of being left without supplies and armaments.

Let us see how far the Girin-Hoiren road is from our ports. Taking Tsin-Tsin as the starting point, from there to Vladivostock would be 130 miles, to Tsuruga 475 miles, to Modji 500 miles, Nagasaki 650 miles, Fusan 500 miles.

Take Port Tsuruga as the starting point. In this case we must take Osaka into consideration as the industrial centre.

1. From Chanchun to Osaka is 406 miles by land via Login and 475 miles by sea. The journey takes 51 hours.

2. If the journey is made through Dairen and Kobe, then Chanchun is 535 miles from Osaka by land and 870 miles by sea. The journey takes 92 hours.

If Tsuruga is the point of departure instead of Dairen, an economy of 41 hours is made. If we reckon 30 miles an hour by land and 12 miles an hour by sea, we can curtail the length of the journey by one-half, using the best ships and fast trains.

Manchuria and Mongolia are the Belgiums of the Far East. During the Great War, Belgium was converted into a battlefield. In our wars with Russia and the United States we must make Manchuria and Mongolia bear all the horrors of war. As it is obvious that we shall have to violate the neutrality of these territories, it is essential that we build the Girin-Hoiren and Chandun-Dalai railways, as they are necessary for our military preparations. In case of war we can then easily increase our military forces, and in peace time we can transport thousands of people into this district and cultivate rice there. This railway line, therefore, gives us the opportunity of economic development and of conquests with the help of armed forces.

The construction of the Girin-Hoiren railway must be completed during the dry weather. The road has to pass through granite mountains. In order to make the tunnels the most up-to-date machines must be used. There is plenty of sand, bricks, clay and so on in this district, so we shall feel no shortage in this respect in building the road. Only rails, trucks and locomotives will have to be brought up. For this reason it will be possible to lower the cost of construction by at least 30 per cent. and finish the work in half the usual time required.

Careful investigations have been made by our General Staff Headquarters in the South Manchurian Railway Company, which show that in those districts lying along the railway, there are 200 million tons of timber. If we fell one million tons annually for import into our country, we can do this for a period of 200 years. We shall then not require American timber, which costs us 80 to 100 million yen annually. We cannot speak of this openly, for if China and Russia hear that we receive so much timber from Manchuria, they will want to compete with us and will themselves take over the construction of this line. Moreover, the United States might purchase the right to exploit this timber from the Fintuan Government. America could then kill our paper industry.

Girin was called the "ocean of trees" even during the reign of Emperor Tsian-Lunia. Since then new trees have been planted. It would be difficult to imagine the wealth of these forests. In order to

transport this timber from Girin to Osaka through Chanchun and Dairen, a distance of 385 miles has to be covered. We have to pay 34 cents for each cubic foot of timber. In view of the expensive cost of transport, we cannot compete with America. However, if the Girin-Hoiren railway is constructed, this distance can be curtailed by 700 miles. We could then despatch our timber by sea to Osaka at the cost of only 13 cents per cubic foot. We should then, of course, displace America entirely. If we reckon that one ton of timber gives a profit of 5 yen, then two milliard tons of timber would make it possible for us, thanks to the railway, to easily make a profit of one milliard yen. We should prohibit the import of American timber to Japan. Moreover, thanks to the reduction in the price of timber, we should be able to make another 20 million yen a year through our furniture, paper, industries, etc.

There are the coal-mines of Sinchin as well, with 600 million tons of coal. In quality it is higher than the Fushun coal, it is easily obtained and from it kerosene can be produced, which we could use ourselves or sell to China. The Girin-Hoiren Railway would bring us several other advantages without the slightest difficulty. The coal would be an addition to that of the Fushun mines. With both these coalfields in our hands, we should have the key to the industries of China. We could make 5 yen a ton on the transport of Sinchin coal to Japan. This profit would rise to 16 yen, if we use all the chemical by-products from this coal. If we reckon an average of 15 yen profit on one ton, we should obtain on an average 200 milliard yen profit. All this we should obtain exclusively as a result of the Girin-Hoiren Railway. Further, there are the goldfields along the River Mutan. As soon as the Girin-Hoiren Railway begins to work, the South Manchurian Railway Company will be able to make use of the rights it has gained in connection with the goldfields in Tsepigoy and the Girin industrial and timber resources. A huge quantity of agricultural products—oats, wheat and so on—can be had near to Dunhua. There are also to be found 20 wine distilling works, 30 factories working up vegetable oils and so on. All this can be ours if we build the railway. Along the railroad trade can be carried on with an annual turnover of 4 million yen. The transport of agricultural products alone will not only cover all the exploitation costs, but will give a net profit of 200,000 yen a year. If we take into consideration the profits to be gained by the transport of timber, coal and by-products, we should obtain the figure of 8 million yen annually. Besides this, our position on the Manchurian Railway would be consolidated; we should acquire rights in connection with timber, mines and so on and a huge number of Japanese would be migrated into North Manchuria. As a first step it is important to curtail the distance between Japan and the sources of wealth

in North Manchuria. It will take only three hours to reach Hailin from Tsin-Tsin. Three hours would be required to travel from Hoiren to Sanfin and three hours more to cover the distance between the river Tiuminula and Luntsintsun. In 60 hours we could reach the rich resources of North Manchuria. This road alone will make it possible for us to seize the enormous riches of North Manchuria.

4. Hunchun-Hailin railroad. The road will cover 173 miles, and cost 24 million yen to construct. Along this line there are dense forest lands. This road is essential if we are to strengthen the Girin-Hoiren road and exploit the timber and mines of North Manchuria. It is essential if we are to convert Hoiren into a flourishing centre at the expense of Vladivostock. To the south of Hoiren and to the north of Dunhua there is the Chintso Lake, which can be used for electrical energy. With this supply of energy at our disposal, we can gain control of the agricultural and industrial undertakings of Manchuria and Mongolia. The investigations of the South Manchurian Railway Company show that the lake can give at least 800,000 horse-power. With this mass of electrical energy we can easily conquer the industries of Manchuria and Mongolia. Rich resources will be available near to this enormous power centre, which will increase with phenomenal rapidity. We must quickly build this railway to facilitate the transport. The Sin-kai lake is in the possession of China and Russia, and can also be used for purposes of electrical energy. In order that these two countries leave our plans untouched, we must pass a resolution at the International Electro-Conference which will take place in Tokio this year to the effect that in no district should there be more than one power station. The paper factory—Odju—has also obtained considerable rights in connection with timber near Nigata and Hailin. This factory requires that a power station be constructed immediately on Lake Chinpo, and the Hunchun-Hailin Railway be constructed as quickly as possible, for then it would be possible with great rapidity to transport raw materials growing wild in Mongolia.

If the Fen-Girin-Uchan Railway Company and the Girin authorities intend building the Uchan and Girin-Mukden Railway, with Hulutao and Tientsin as ports, this is because they wish to gain possession of the riches of North Manchuria. Having built the Haunchun-Hailin Railway we should not only strengthen Girin-Hoiren, but would smash the Chinese plans and direct the flow of Manchurian riches to Port Tsin-Tsin. The cost of transport would be one-third of the cost on the Chinese Railway and one-half of the Siberian. They would be incapable of competing against us, and the victory would be ours.

The total trade turnover in Manchuria is 7 to 8 milliard yen annually, and all this trade would be in

our hands. Our trade in wool, cotton, soya beans, iron, amounts to one-twentieth of the world trade. Our trade is continually increasing. However, the wealthiest street in Dairen is in the hands of the Chinese. And this is not all. The production of vegetable oils is the main branch of industry in Manchuria. Our share of this industry is only 6 per cent. Out of 38 factories in the vegetable oil industry in Inkow, there is not one Japanese. Out of 20 factories in Andun only one is Japanese, and out of 82 or 83 in Dairen only seven are Japanese. This is a great pity. In order to gain our lost positions, we must first of all develop the transport. Having gained control of the monopoly of finished products and raw materials, we should occupy a dominating position in this industry. Moreover, we must help the Japanese, engaged in this industry, by granting them large credits and thus displace the Chinese. In Osaka there are many Chinese trading our manufactured goods in Mongolia and Manchuria. They put up a strong competition against the Japanese living in China. It is more difficult for the Japanese, since their standard of living is higher and they require a higher rate of profit. On the other hand the Chinese also have their weak points. They obtain goods of an inferior quality and, on the other hand, they have to pay at least 10 per cent. more than the Japanese. They have to pay 2.70 yen more than the Japanese for every ton of goods, but in spite of this they successfully compete against our merchants in Manchuria. This speaks clearly enough of the incompetence of our people. The mere thought of this is horrifying. The Chinese is left entirely to himself and is given no help by the Government. The Japanese, living in Manchuria, is protected by his own Government and afforded long-term credits at an insignificant rate of interest. We should therefore organise an export co-operative society for trade with China. It should have special facilities on steamers and on the South Manchurian Railway, and the Huandun Government should afford it credits at a low rate of interest. We shall then be able to compete successfully with the Chinese merchants, develop our own industry in Manchuria and export our goods to all parts of the world.

The first step towards gaining control, financial and mercantile, in Manchuria and Mongolia consists in obtaining the monopoly of the sale of the products of these countries. We must have the monopoly rights on the sale of Mongolian and Manchurian products, because only in this case shall we be able to pursue our continental policy, prevent the penetration of American capital and undermine the influence of the Chinese merchants.

Although Manchurian and Mongolian goods must pass through three ports—Dairen, Inkoi and Andun—nevertheless Dairen is the most important in the given case. There is an annual traffic of 7,200

vessels through this port with a total tonnage of 11,565,000. This amounts to 70 per cent. of the total Manchurian and Mongolian trade. From this port fifteen different steamship lines diverge. The majority of these lines serve the coastal shipping. We control all the transport system of Manchuria and Mongolia. We may even obtain the monopoly of the sale of special Manchurian products. In this case we should be able to develop our ocean transport and force the Nikoi and Andun ports into the background. We should control the trade of enormous quantities of beans, widely consumed in Central and South China. The Chinese use vegetable oil in their food, and in case of war we could cut them off from their supply of oil and they would suffer very considerably. With the control of their source of foodstuffs and the transport we could develop our own production of rice, increase the amount of fertilisers obtained in the form of by-products from Fushun coal. Thus all the agriculture of China would be dependent upon us. In case of war we should place an embargo upon fertilisers and prohibit their import to Central and South China. This would considerably curtail the output of foodstuffs by China. We should not forget this side of the question in building up our continental Empire. Neither should we forget that Europe and America also need enormous supplies of beans for the purpose of fertilisation. When we become the monopolisers of these products and control the transport both on land and on sea, then countries requiring the special products of Manchuria and Mongolia will seek our favour. We must gain control of the whole system of transport in order to obtain the monopoly of trade in Manchuria and Mongolia. Only then can we suppress the Chinese merchant.

However, the Chinese are learning from our example and are hitting our trade with their own methods. We have not yet learned to compete successfully against them in the production of vegetable oils and in the sphere of water transport (on sailing ships). Having built up a new system of transport, we shall be able to pursue a double-edged policy. On the one hand we should be able to undermine their shipping and invest considerable capital in our own. On the other hand we should endeavour to see that the Japanese learn from the experience of the Chinese in this business. At the same time we should not allow the Chinese to learn our industrial methods. Previously we had factories in Manchuria and Mongolia near to the sources of raw materials. The Chinese were thus given the opportunity of discovering our secrets and opening their own factories which competed with our own. We must therefore send our raw materials to Japan and work them up there, afterwards exporting them to China and other countries in the form of manufactured goods. We should thus give work to our

own unemployed, hold back the influx of Chinese into Manchuria and Mongolia, and deprive the Chinese of the chance of copying our new industrial methods. The iron obtained in Pensih and Anshaw, as well as the Fushun coal would also be sent to China for final working up.

All this speaks of the necessity of developing our ocean transport. We must extend the Dairen Company "Kisen Kaisha" and our Government must afford it a loan through the South Manchurian Railway Company, at a high rate of interest. Next year we shall receive 50,000 tonnage for our ocean transport. This is quite sufficient to enable us to occupy a dominating position in trade with the Far East. On the one hand we have the South Manchurian Railway which guarantees our transport on the land, and on the other hand we have the control of an enormous amount of Manchurian and Mongolian products waiting for transport. The iron laws of economics guarantee us success if we extend our ocean transport from Dairen as the central port.

THE GOLD STANDARD IS ESSENTIAL.

In spite of the fact that Manchuria and Mongolia are within the sphere of our activities, the main currency there is silver. This brings about a partial contradiction with our gold standard and reacts unfavourably upon our interests. If Japanese living in these regions have not become wealthy, it is exclusively because the silver money system is in operation there. The Chinese stubbornly maintain the silver standard and we cannot, therefore, establish our plans for colonisation on a firm economic basis. We sustain losses as follows as a result :-

1. We carry money into Manchuria, based on the gold standard. There we have to exchange it for Chinese silver dollars. The exchange rate of the dollar frequently fluctuates as much as 20 per cent., causing heavy losses to our people living in Manchuria. Speculation is a common occupation and the investment of capital becomes a sort of game. If a person invests 200,000 yen in business, he may discover one fine day that his capital has fallen to 160,000 or 150,000 dollars (Chinese) as a result of the fall in the exchange rate of the silver money. Consequently we have several cases of bankruptcy.

2. The Chinese merchant makes use exclusively of silver money, and therefore suffers no losses from the fluctuations in the exchange rate. Although the Chinese have no exact idea of the exchange value of gold and silver, they always win in all forms of business. This is a natural gift of theirs, and we suffer from it. We suffer losses although we are supported by the banks. As a result of the imperfect money system, the population of Central and South China buy their beans exclusively from the Chinese. Here we can do nothing, and must therefore conquer the whole of China.

3. The Chinese Government can count the number of banknotes according to the increase in the amount of Japanese money in circulation. As a result our banks cannot fulfil their mission of increasing the influence of Japan in China.

4. If the gold standard were introduced, we could freely issue our banknotes on the basis of this standard. Backed up by these banknotes we could obtain the rights on all immovable and natural wealth and undermine the credit of the Chinese silver banknotes. The Chinese could not compete with us, and the money circulation of Manchuria and Mongolia would be completely under our control.

5. The Governmental Bank of the Three Eastern Provinces, the Transport Bank, the Frontier Bank and the General Credit and Financial Bank have silver banknotes to the value of 38 million dollars in circulation ; their active balance consists of buildings and goods and is valued at no more than 1,350,000 dollars. It is obvious that these Chinese banknotes should have lost their value and that they remain in circulation only because of the support afforded them by the Government. Until we discredit the Chinese silver banknotes, we shall not be able to displace them with our own gold banknotes in Manchuria and Mongolia and thus obtain the control of the financial monopoly in these two countries. With these valueless silver banknotes, the Three Eastern Provinces Government buys all sorts of goods, thus violating our interests. They demand gold when they sell these goods to us, and this gold they keep inside China for the purpose of smashing our financial interests and trade. For this reason it is essential that the gold standard be introduced.

We must displace the Manchurian silver banknotes and deprive the Government of all its purchasing power. We shall then be able to use our gold banknotes and thus seize the economic and financial business of Manchuria and Mongolia. We shall be able to force the authorities of the Three Eastern Provinces to call in Japanese financial experts to help us to occupy a dominating position in the sphere of finance. When the Chinese banknotes lose all their value, our gold banknotes will take their place.

EFFORTS MUST BE MADE TO ENSURE THAT OTHER POWERS INVEST THEIR CAPITAL.

Our traditional policy consists in not allowing a third Power to invest its capital in Manchuria and Mongolia. However, since the Nine Powers Agreement fixed the principle of equal opportunities for all, the principle of the international consortium according to which Manchuria and Mongolia are outside the sphere of our influence, an anachronism has arisen. The Powers watch every movement we make and everything we do arouses their suspicion. In these circumstances it would be better if foreign capital were invested in the electrical undertakings and the

alkali industry. With American and European capital, we can develop Manchuria and Mongolia according to our own plans. We would thus allay international suspicions, clear the road for broader plans and compel the Powers to recognise the fact of our special position in this country. We should welcome all efforts on the part of the Powers to invest their capital, but we must not allow China to do business with the large Powers as it would like to do. Since we wish the Powers to recognise our special position in Manchuria and Mongolia both in the political and economic sense, we shall be compelled to interfere and to carry all the weight of responsibility, together with China. We must endeavour to ensure that our policy expands to take in also the diplomatic relations of China with other countries.

THE NEED TO MODIFY THE ORGANISATION OF THE SOUTH MANCHURIAN RAILWAY.

The South Manchurian Railway Company functions in Manchuria like the Korean Governor-General in the face of annexations. If we want to build our new continental Empire, we should change the whole organisation of the company and remove the difficulties with which we have to fight. The functions of the company are many-sided. Every change in the Cabinet causes changes in the administration of the South Manchurian Railway and on the other hand the activities of the railway influence the Cabinet to a considerable extent. The point is that the South Manchurian Railway is semi-governmental. The Powers therefore consider this railway more in the nature of a political organ than a commercial enterprise. As soon as measures are taken for the development of Manchuria and Mongolia, the Powers turn to the Nine Powers Agreement in order to smash the plans of the South Manchurian Railway. This has considerably harmed our interests. The South Manchurian Railway is under four-fold control : the control of the Huandun Governor, the Supreme Representative of the authorities in Dairen, the General Consul in Mukden and, finally, the President of the railway itself. These four plenipotentiaries have to exchange opinions in Dairen before the railway company can take any important steps. Although their meetings take place behind closed doors, nevertheless the Chinese powers of the Three Eastern Provinces learn a great deal. They do their utmost to prevent the Central Chinese authorities from giving the necessary permission for the putting through of new measures, and, moreover, all the decisions of the railway company have to receive the consent of the Ministry for Foreign Affairs, the Ministry of Transport, the War Ministry, and the Ministry of Finance. If one of these four ministries refuses to approve the decisions, then the railway company is powerless to act. Because of this, our present Premier, although he recognises his

failures, nevertheless has taken upon himself the responsibilities of Minister of Foreign Affairs. Consequently we can more easily keep our plan in Manchuria a secret, and we can put them through with despatch and determination. The South Manchurian Railway therefore must be reorganised. All undertakings belonging to the railway must be converted into independent companies under the leadership of the South Manchurian Railway. We can then take decisive measures for the conquest of Manchuria and Mongolia. On the other hand, we must make the proposition to the Chinese, Europeans and Americans, that they invest their money in the South Manchurian Railway on condition that the majority of the bonds remain in our hands. The control of the railway will then remain with us, and we shall be able with even greater energy to carry out our imperial mission. In inviting other Powers to take part in the development of the South Manchurian Railway, we shall deceive the whole world. Having done this, we shall move forward into Manchuria and Mongolia, free ourselves from the limitations of the Nine Powers Agreement and strengthen our activities with the help of foreign capital.

The following are large undertakings belonging to the South Manchurian Railway :—

I. IRON AND STEEL.

Iron and steel are closely connected with our national development. However, as a result of the lack of ore, we cannot solve this problem. Up to now we have been compelled to import steel from the Yangtsi Valley and the Malay Peninsula. The secret investigations of our General Headquarters show, however, that there are rich deposits of iron in Manchuria and Mongolia. According to the most modest accounts there are 10 billion tons of iron there. At first, when technique was not so highly developed, the Anshan iron and steel works had an annual loss of 3 million yen. Later, when new methods were worked out, this deficit became smaller. In 1926 it was equal to no more than 150,000, and a year later the works were giving a profit of 800,000 yen. If the Martin furnace is overhauled, we shall make no less than 4 million yen annually. The quality of the iron from Pensih is excellent. This iron together with the Anshan ore will make us independent in the sphere of iron and steel supplies.

The deposits of iron in Manchuria and Mongolia are equal to approximately 1,200 million tons ; those of coal 2,500 million tons. This deposit of coal is sufficient to supply the requirements of the deposits of iron ore. With these enormous supplies of iron and coal in our hands, we shall be completely independent for a period of at least seventy years. Reckoning 100 dollars profit on one ton of steel, we shall be able to make a profit of 35,000 million

yen on 350 million tons of steel. We shall economise 120 million yen, which we pay annually for imported steel. We have sufficient iron and steel for our industry, we shall become the leading world Power, and will be able to conquer East and West. For this purpose the metal works must be separated from the South Manchurian Railway.

2. OIL.

Another commodity of enormous importance of which we have a deficit is kerosene. It is essential for the life of the nation. Fortunately there are 5,200 million tons of raw oil in the coal-mines of Fushun from which 6 per cent. refined oil can be obtained both for automobiles and for steamships. At present Japan imports 700,000 tons of oil annually at a cost of 60 million yen. As the Fushun mines have 50 billion tons of refined oil, we can, at the rate of 5 per cent., obtain 250 million tons of best oil, and if we raise the percentage to 9, then we can obtain 450 million tons. We can obtain an average of 350 million tons. Reckoning at the rate of 15 yen per ton, the Fushun oil will give us 2,250 million yen. This will be a great industrial revolution for us. Oil is the great factor from the point of view of national defence and national wealth. Our army and fleet will be invincible fortresses if we have the iron and oil of Manchuria. Without doubt Manchuria and Mongolia are the heart of our Empire.

Agricultural fertilisers. Ammonia sulphate and other Products.

For the production of foodstuffs, agricultural fertilisers are essential. Ammonia sulphate can be obtained from coal for chemical fertilisation. The Fushun coal is particularly rich in this respect. At present we use 500,000 tons of ammonia sulphate. Half of this amount we work up in Japan, using the Kashlan and Fushun coal. The other half we have to import from abroad at the cost of 35 million yen a year. As our agriculture is growing and we intend developing our new Empire in Manchuria and Mongolia, we shall require a million tons of ammonia sulphate annually during the next ten years. From the by-products obtained by burning Fushun coal during the smelting of steel, we can obtain an enormous amount of ammonia sulphate. If we work up 300,000 tons annually, we shall increase our annual income by more than 40 million yen. This will give a total of 2,000 million yen in the course of fifty years. This money can be used to raise our agriculture, and if there is a balance, we can buy fertilising manures and supply all the agricultural undertakings throughout China and the South Sea Islands. This business must also be separated from the South Manchurian Railway, and we shall then have complete control over the fertilising materials throughout the Far East.

We are importing 100,000 tons of soda at a cost of over 10 million yen annually. Both soda and soda ash are essential for military and industrial purposes. Soda is obtained from salt and coal, which are to be found in abundance in Manchuria and Mongolia. If we take up this work we shall be able to satisfy the requirements not only of Japan but will be able to sell to China and obtain the monopoly of this branch of industry. We should gain a profit of no less than 15 million yen annually. This should also be removed from the control of the South Manchurian Railway.

MAGNESIA AND ALUMINIUM.

According to information of the South Manchurian Railway and the assertions of Dr. Hont from the Tohoku University, there is an abundance of aluminium and magnesia in Manchuria. Magnesia is to be found in the neighbourhood of Tashichaw, and aluminium close to Entai. Here are the largest deposits in the world. A ton of magnesium costs 2,000 yen and aluminium 1,700. The total value of the deposits of these minerals in Manchuria is 750 million yen. These minerals are particularly useful for the manufacture of aeroplanes, medical instruments, ships, etc. There are large deposits only in the United States of America. These metals are becoming more and more essential every day and the supply is continually falling. The prices rise rapidly. The deposits on our territory in Manchuria and Mongolia are the gift of God. They are essential for our industry and national defence; and this industry also must be made independent of the South Manchurian Railway. The metals must be worked up in Japan in order that the Fintuan Government may not copy our methods, and also to ensure that British and American capital have no opportunity of observing our progress. Having seized these deposits in the Three Eastern Provinces, we could then use the water-power of the River Yalu to work it up. As aviation is continually developing, the whole world would in the future apply to us for materials for aeroplane construction.

If all these undertakings are independent of each other, they will be able to progress rapidly and give us no less than 60 billion yen profit annually. The industrial development of South Manchuria is of enormous importance for our national defence and economic development. It will lay the foundations of our industrial Empire. As for cultural institutions like hospitals, schools and so on, they are the heralds of our progress in Manchuria and Mongolia. They will raise our prestige and authority. They must be separated from the South Manchurian Railway in order that they may double our power in moving into North Manchuria.

When these big undertakings become independent and freed from the interference of our officials, they

will of course become centres of national prosperity. We shall rapidly move forward on the wings of economic development, without arousing the suspicions of the Powers and without calling forth anti-Japanese activities among the population of the Three Eastern Provinces. With the help of these circumspect methods, we can create our new continental Empire.

Foreign loans afforded to the South Manchurian Railway must be used by those railways alone which are already completed. The remaining railways built by us, but nominally under the control of China, may be amalgamated with the finished railways, or may be made independent, according to the desires of the investing Powers. The slogan of "equal chances" will give us the opportunity of getting foreign loans and allaying all suspicion as regards our intentions in North Manchuria. In any case, foreign capital will be required by us for developing our continental Empire. When the foreign Powers are given the opportunity of investing their capital in the South Manchurian Railway, they will gladly give us more money and China will be able to do nothing against it. This is the best way of developing our plans in Manchuria. We must lose no time, but must take up the same line with regard to the riches concentrated in North Manchuria and Mongolia. We must convert the new roads from Girin to Hoiren and from Chanchun to Dalai into separate undertakings, as well as the timber and mining undertakings.

The exploitation of North Manchuria will considerably enrich the Manchurian Railway. We must permit foreign Powers to invest their money in the South Manchurian Railway and to receive their share of the profits. When they begin to receive profits, they will cease to hinder our activities in Manchuria. Enormous masses of Chinese are migrating into South Manchuria. Their position will become stronger every day. The position of our immigrants is becoming gradually worse, since the right to rent land is not yet fully safeguarded inside the country. Even with the support of our Government, they cannot compete with the Chinese, whose standard of living is lower. Our only chance is to beat the Chinese by investing considerable sums of money. But to do this, we need foreign loans. The wealth of North Manchuria must be joined up with our forces in South Manchuria, and the problem will be immediately solved once and for all. If we fail in this task, they will be able to hold out in North Manchuria and will provide us with foodstuffs and raw materials. As the interests of North Manchuria and Japan are closely connected, we must immediately enter North Manchuria and pursue our policy there.

WE MUST FORM A COLONIAL DEPARTMENT.

The exploitation of Manchuria by Japan will take many forms. The opinions of influential persons so

frequently differ that even the most advantageous undertakings end in failure. As a result of the tardy way in which the work is done, the truth is frequently let out, and the Mukden Government makes use of it for propaganda against our country. If any new undertaking is planned in Manchuria or Mongolia, the question is discussed in Dairen in dozens of conferences. Not only is the approval required of the four above-mentioned officials, but also of the Government. Whole months go by, therefore, before any results are obtained. In the meantime the Chinese make use of Japanese adventurers, draw out our secrets and before we have a chance to fulfil our plans, the Chinese and the whole world know of it. The public opinion of the whole world is turned against us and more than once we have found ourselves in great difficulty in this way in pursuing our policy in Manchuria and Mongolia. The Opposition Party also uses this for attacks upon the Government. We must change our work. The centre of control must be removed to Tokio. This will safeguard the secrecy of our negotiations and drafts, will prevent China from knowing of our plans in advance, will rid us of the suspicious attitude of the Powers who hear of our plans before they are put into action, will unite our control in Manchuria and establish firm connections between our authorities in Manchuria and Mongolia and the Central Government, which is very important for our relations with China. For all these reasons we should carry out our primary plan of absorbing Korea which was elaborated by Ito and Katsura, and create a colonial department which will occupy itself with the question of our expansion in Manchuria and Mongolia. Nominally it would deal with the control of Formosa, Korea and Sakhalin, but actually it would work on the expansion of Japan in Manchuria and Mongolia. This would help us to deceive the whole world and to hide our secrets more easily from the whole world.

Personally, I consider that if the absorption of Korea could not be carried out during the time when Ito held sway, it was because of the lack of a special organ of control. As a result there was constant difference of opinion and it was impossible to pursue our secret policy. This opened up the way for international obstruction and Korean opposition. Masses of propagandists arrived in Europe, America and Korea and declared that we recognise the independence of Korea and have no claim on her territory. As a result it was possible for us to retrieve international confidence once more. If we create a colonial department as though for Formosa, we shall gain our ends. It is quite clear that a special institution is required for the development of colonisation and immigration. The creation of the new Empire in Mongolia and Manchuria is of enormous importance for the existence of Japan. There must be a special colonial department in order

to control our policy over this enormous territory direct from Tokio. Our officials there must merely accept our orders, but must not interfere arbitrarily in the pursuance of our policy. This will safeguard that proper secrecy is reserved and hostile nations will be unable to discover our secrets concerning our colonial activities. International public opinion will not then be able to follow our movements in Mongolia and Manchuria and we shall not have to fear their interference.

As for our undertakings on the South Manchurian Railway, like the Development Society, the Land Society, the Trust Company, etc., control of these undertakings should be in the hands of the colonial department. They should all be under united control for the purpose of helping us in the policy of expansion in Mongolia and Manchuria, which is being pursued by the Imperial Government, and thus assist in the building up of the new Empire.

THE VALLEY OF THE TALIN RIVER ON THE PEKIN-MUKDEN RAILWAY.

The valley of the Talin River is an enormous, sparsely-populated territory. The place seethes with bandits. Many Koreans have placed investments here, especially in the rice plantations. The district gives promise of becoming a flourishing centre. Furthermore, it is easy to move forward into the Sheches district from here. We must do our utmost to defend our Koreans and then use the first available opportunity of obtaining the right to colonise this district from China. Our immigrants must obtain an opportunity of living here and playing as our vanguard in the advance upon Sheches and Mongolia. In case of war this valley will be a strategical point for the large armies. We shall then be able not only to prevent the Chinese from moving north, but will rule over the enormous riches in South Manchuria. If the Koreans come to this district we must offer them financial support through our trust societies and other financial organisations. These organisations must have property rights, and the Koreans will be limited to the right to work upon the land. Formally, however, the Koreans must have property rights. Thus we can obtain these rights from the Chinese Government. The trust societies and financial organs must fully support our Korean subjects in their efforts to obtain land. If they need money to buy land, the financial organs must help them. We

shall thus, unnoticed, gain the control of the best rice plantations which our immigrants, i.e., the Japanese, must receive. They will have to displace the Koreans who, in their turn, will seek new lands which, in the future, will also come into the hands of our people. This is our policy in the work of colonising the rice and bean plantations. As for cattle-breeding, the Development Society must receive special powers and place large herds at the disposal of our country. This society must engage in horse-breeding, choosing the best Mongolian horses for the purpose of national defence in Japan.

THE STRUGGLE AGAINST CHINESE IMMIGRATION.

The internal conflicts in China have forced an enormous number of Chinese of late to settle down in Mongolia and Manchuria. This has formed a great menace to our immigration. We must here take the corresponding measures. The fact that the Chinese Government welcomes this immigration and takes no measures against it, is a serious menace to our own immigration. A well-known American specialist on China declared that the Mukden owners are pursuing such a fine policy that everybody is settling down on its territory. Thus the influx of immigrants is regarded as a sign of the energetic policy of the Mukden authorities. This conflicts with our interest. If we put no end to this immigration, than in ten years' time China will engulf us with the help of our own policy. In the political sense we should make use of our police force to keep back the influx of Chinese, and our financiers should drive out the Chinese by lowering wages. Further, we must develop the use of electrical energy and thus displace human labour power.

HOSPITALS AND SCHOOLS.

The hospitals and schools in Manchuria must not be dependent upon the South Manchurian Railway. It is well known that people frequently regard them as organs of imperialism and refuse to turn to them for assistance. When they become independent institutions, people will begin to value our kindness and be grateful to us. In opening schools we must first think of normal schools for men and women. In these schools we can educate the people in a friendly spirit towards Japan. This is the first principle of our cultural construction work.